

Recce Pharmaceuticals

Gearing up for an eventful year for R327G

Recce is preparing to start a registrational Indonesian Phase III study of the topical gel formulation (R327G) of its lead anti-infective therapeutic drug candidate, RECCE 327 (R327), for the treatment of diabetic foot infections (DFIs). We expect the trial to start in the coming weeks and note that DFIs are the leading cause of limb morbidity in diabetic patients and an area of unmet need as currently available topical drugs have limited effectiveness. We anticipate that positive results could lead to Recce's earliest R327 commercialisation opportunity, through a launch in South-East Asia in the DFI indication in H2 CY26. After adjusting for forex and other minor adjustments, we now obtain an rNPV valuation of A\$610.1m (or A\$2.68 per share), versus A\$593.6m (or A\$2.60 per share) previously.

Year end	Revenue (AUDm)	PBT (AUDm)	EPS (AUD)	DPS (AUD)	P/E (x)	Yield (%)
6/23	4.3	(13.1)	(0.08)	0.00	N/A	N/A
6/24	4.9	(17.8)	(0.10)	0.00	N/A	N/A
6/25e	10.5	(15.8)	(0.07)	0.00	N/A	N/A
6/26e	5.9	(43.9)	(0.17)	0.00	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

DFI programme supported by Phase II ABSSSI results

Recce [in February](#) reported positive results from its open-label Phase II study assessing R327G in patients with acute bacterial skin and skin structure infections (ABSSSI), including patients with DFIs. Among 29 evaluable patients, 86% (25 of 29) treated with R327G had a successful clinical response after seven days of treatment, and at 14 days of treatment, 93% (27 of 29) achieved a primary efficacy endpoint. R327G was reported to be safe and well tolerated, with no serious adverse events. In our view, these results bode well for the company's Phase III registrational study in Indonesia assessing R327G as a treatment for DFIs.

Australia Phase III also in the works

Recce is also planning to start a Phase III study assessing R327G for the treatment of ABSSSI in patients in Australia in CY25. The company plans to complete an Investigational New Drug (IND) application with the FDA in late CY25 or H126, which should allow R327G to be assessed in US clinical trials. We continue to anticipate potential commercialisation for R327G in ABSSSI in CY28 in the US and Australia. Altogether, we believe the company's near-term focus on advancing R327G as a topical therapy is providing a clear path to future revenues.

Valuation: Slight uptick but funding need imminent

We have adjusted our forex assumptions, rolled forward our model and pushed back the potential commercialisation of intravenous (IV) R327 (for sepsis and urinary tract infections) to H2 CY29 (vs H1 CY29 previously). We now obtain a risk-adjusted net present value (rNPV), inclusive of A\$2.0m Q225 net debt, of A\$610.1m (or A\$2.68 per share), versus A\$593.6m (or A\$2.60 per share) previously. With A\$1.9m gross cash at end-CY24, we model the company is funded into Q2 CY25 and anticipate fund-raising activity over the coming months.

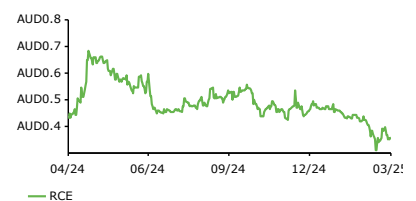
Pipeline and financial update

Healthcare

28 March 2025

Price	AUD0.365
Market cap	AUD85m
	A\$0.63/US\$
Net cash/(debt) at 31 December 2024	AUD(2.0)m
Shares in issue	231.9m
Code	RCE
Primary exchange	ASX
Secondary exchange	FSE

Share price performance



%	1m	3m	12m
Abs	(18.0)	(22.3)	(18.0)
52-week high/low		AUD0.7	AUD0.3

Business description

Recce Pharmaceuticals is an Australian company developing its novel, broad-spectrum synthetic polymer anti-infective drugs for the treatment of several infectious diseases, including sepsis, acute bacterial skin and skin structure infections, diabetic foot infections, burn wound infections and urinary tract infections.

Next events

Start Phase III Indonesian study of R327G in diabetic foot infections	H1 CY25
Start Phase III Australia/NZ study of R327G in ABSSSI	CY25

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Topical R327G set to start Indonesian Phase III study

Recce's strategic focus in CY25 is on advancing the topical gel formulation (R327G) of its lead anti-infective therapeutic drug candidate, R327. The company is gearing up to start a registration-enabling pivotal Phase III study in H1 CY25 for R327G as a treatment for DFIs. We anticipate that positive results from the trial could lead to Recce's earliest R327 commercialisation opportunity, through a launch in South-East Asia in the DFI indication in H2 CY26. In February 2025, the company completed a Phase II Australian study for R327G in the treatment of ABSSSI, which gives us confidence for the upcoming clinical trial for treatment in DFIs.

A recap of the DFI opportunity

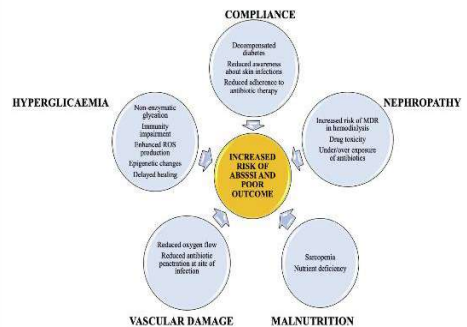
DFIs are frequent complications of patients who have diabetes mellitus, particularly if the condition is not adequately controlled. Approximately [38 million people](#) have diabetes in the US. Of this population, [about 2–4%](#) will experience foot ulceration each year, of which 50–60% will result in DFIs due to the invasion and multiplication of surrounding microorganisms in the area, resulting in an inflammatory response and tissue damage. DFIs are the leading cause of foot morbidity in diabetic patients as well as the most common complication from diabetes leading to hospitalisation. About 20% of moderate to severe DFIs [lead to amputation](#).

Exhibit 1: Background on ABSSSI and DFIs

Acute Bacterial Skin and Skin Structure Infections (ABSSSI) and Diabetic Foot Infections (DFIs)

ABSSSI & DFI – Unmet clinical needs

- Diabetic foot ulcers and infections are common complications that can lead to amputations.
- About 50%–60% of ulcers develop infection which is the leading pathology that devastates most diabetic feet.
- Readmission rates for patients with diabetic foot infections are approximately 40% and there is almost a one in six mortality within 1 year of infection.
- Several pathogens, such as *Staphylococcus aureus*, *Enterococcus*, *Pseudomonas aeruginosa*, and *Escherichia coli*, typically cause DFI infections, with 50-80% of wounds being polymicrobial.
- During the last decades, a significant increase in the prevalence of methicillin-resistant *Staphylococcus aureus* has been detected among hospitalised patients with diabetes with skin infections.



Several factors affect risk and outcome of ABSSSIs in patients with diabetes mellitus

Source: Company KOL presentation, March 2025

DFIs occur mostly in diabetic patients with peripheral neuropathy and/or peripheral artery disease, as these increase the risk of an ulcer becoming infected. While most DFIs are located at relatively superficial layers upon initial clinical presentation, the infecting microorganisms can spread to deeper tissues, such as fascia, tendons, muscles, joints and bones. Generally, targeted systemic (oral or IV) antibiotic or anti-infective therapy is the primary approach for treating DFIs, but certain more complex forms, such as osteomyelitis (inflammation of the bone), require surgical debridement. Topical agents (such as silver preparations, antiseptics, bacteriophage therapy and honey dressings) have been used (usually off-label) in many cases but these are typically adjunctive to the systemic treatments and thus not likely to be used as a standalone therapy, except possibly for very mild and/or superficial cases.

The first material clinical evidence of R327's potential efficacy as a treatment for DFIs was data [in early 2024](#) from Recce's Phase I/II study assessing topical R327 in DFIs. This study met all primary endpoints on five patients, providing signs of proof-of-concept for topical R327 in this indication. In the trial, patients with mild skin and soft tissue DFIs were treated with topical R327, either daily or every second day, for 14 days. Recce reported that the study's independent

safety committee confirmed that the study achieved its primary safety, tolerability and efficacy endpoints (including resolving or curing bacterial DFIs). In 80% (four of five) of patients, R327 led to complete cure at the end of the 14-day therapy period, and in all cases, at the midpoint of therapy (day seven), a significant reduction of the infection was shown.

Summary of ABSSSI Phase II study results


Following the above mentioned Phase I/II study, Recce engaged in a centralised, [open-label Phase II study](#) assessing R327G applied to ABSSSI, which comprise a broader range of indications than the DFIs and burn wound infections assessed in prior topical R327 human trials. The Phase II study was primarily conducted by [Barwon Health](#), one of Australia's largest comprehensive regional health services centres. The trial was designed to assess R327G's effectiveness and safety in treating a broad range of ABSSSI indications, which, in addition to DFIs, can include necrotising fasciitis, post-operative wound infections, simple abscesses, boils, cellulitis and others. In the Phase II ABSSSI trial, R327G was applied once daily for seven days to the site of infection, followed by safety and efficacy evaluations. A possible additional seven-day R327G treatment period was considered at the investigator's discretion if indicated, with repeated safety and efficacy evaluations.

At a [virtual key opinion leader \(KOL\) event](#) on 2 March, Professor Eugene Athan, principal investigator of the Phase II ABSSSI study, summarised the trial's primary results, which [were first reported in February 2025](#).

Exhibit 2: Phase II ABSSSI study results

Phase II DFI / ABSSSI Clinical Trial – Achieved all Endpoints

Confirms approach for Phase III trials and commercialisation progress in Australia



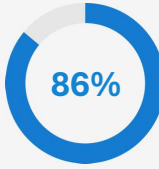
- This Phase II study **achieved all primary and secondary endpoints** as an open-label clinical trial evaluating the safety and tolerability, efficacy, and plasma pharmacokinetics of R327G when applied directly to the infected area
- The study enrolled 30 patients, with 29 included in the final data analysis. One patient was withdrawn due to pre-existing pain at the wound site that was deemed unrelated to R327G
- After 7 days of treatment, **86% of patients** (25 out of 29) treated with R327G had a successful clinical response
- At 14 days of treatment, **93% of patients** (27 out of 29) achieved a primary efficacy endpoint
- **R327G demonstrated to be safe and well tolerated, achieving all endpoints - no Serious Adverse Events reported**

Study Outcome – Top Line Data*	To evaluate the efficacy of RECCE® 327 topical gel on ABSSSI
Assessment method	Lipsky Scale/Bates Jensen Wound Assessment Tool
Endpoint met	Yes

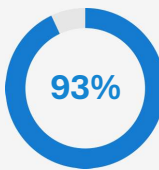
*<https://www.anzctr.org.au/Trial/Registration/TrialReview.aspx?id=387997&isReview=true>

Successful clinical response

After 7 days of treatment



After 14 days of treatment



Recce Pharmaceuticals Limited (ASX:RCE) | Corporate Presentation | 27

Source: Company corporate presentation, March 2025

The study achieved all primary and secondary efficacy endpoints and met plasma pharmacokinetics (PK) expectations. After seven days of treatment, 86% of patients (25 of 29) treated with R327G had a successful clinical response, and at 14 days of treatment, 93% (27 of 29) had achieved a primary efficacy endpoint. Clinical outcomes were assessed using the [Lipsky Clinical Resolution of Infection Scale](#) and/or the [Bates Jensen Wound Assessment Tool](#), both [FDA-recognised](#) measures. Importantly, R327G was reported to be safe and well tolerated, with no serious adverse events. The study enrolled 30 patients in total, with one withdrawing due to pre-existing pain at the wound site that was deemed unrelated to R327G.

The global ABSSSI market was valued by Fortune Business Insights [at US\\$7.3bn in 2018](#) and is projected to reach US\$25.9bn in 2032. Drug-resistant bacterial strains, particularly methicillin-resistant *Staphylococcus aureus* ([MRSA](#)), remain an area of particular concern in many skin and skin structure infections.

To our knowledge, no topical antibiotic has specific globally-recognised approval for usage for the treatment of DFIs. [Treatment guidelines](#) by the International Working Group on the Diabetic Foot and the Infectious Diseases Society of

America indicate that currently available and/or approved topical therapies or antibiotics have effectiveness limitations in the treatment of DFIs. Hence, we believe there is opportunity for a novel topical therapeutic such as R327G, as we expect a standalone topical therapeutic option would be convenient for patients (given the relative ease of drug administration), aid in treatment compliance, provide a concentrated dose at the presumed site of interest and also lower the risk of systemic side effects often associated with oral or IV antibiotics.

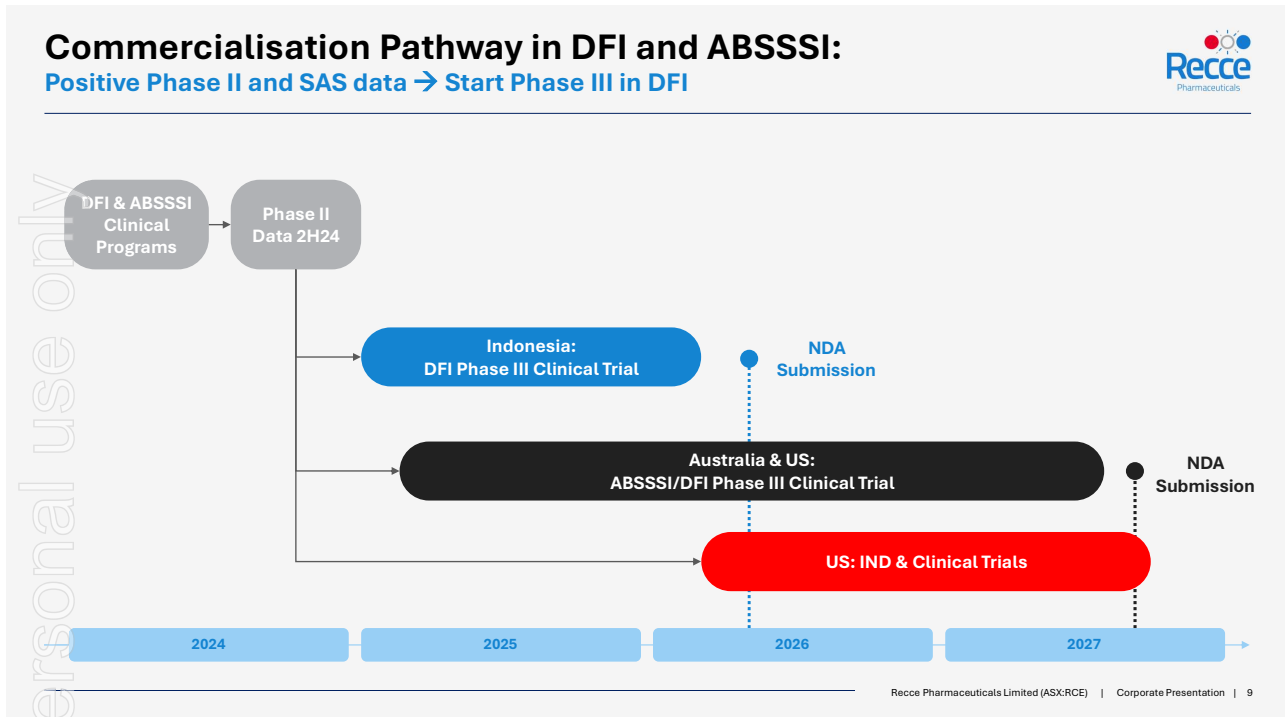
Topical R327G set to start Indonesian Phase III study

Recce has been finalising the steps in recent months to advance R327G towards registration-enabling pivotal studies that would transition the company to a commercial-stage entity, if successful. Notably, the company announced in December 2024 that it had [received clearance from Badan POM](#) (BPOM), the Indonesian Drug and Food Regulatory Authority, to start its registrational Phase III study in Indonesia of R327G in DFIs. Recce is in final stages of manufacturing of the topical gel product and placebo. Once completed and the product is sent to Indonesia, the company expects to commence patient dosing imminently, as the relevant Indonesian clinical trial sites and hospitals are ready to start dosing.

The Indonesian Phase III study will be a double-blinded placebo-controlled design with a planned total enrolment of 300 patients, where R327G will be compared to placebo (with 200 subjects planned to receive R327G and 100 to receive placebo). The study will be initially conducted at PT Siloam International Hospitals, the largest private hospital network in Indonesia. The company expects the study to run for approximately 12 months. However, given the high efficacy response rates shown in the Phase II ABSSSI study, Recce anticipates the Indonesian registrational Phase III DFI study may reach a statistically significant efficacy result after the completion of treatment on c 100 patients (compared to the trial's planned enrolment of 300 patients). Recce expects to report interim data (on c 105 patients) from the Phase III study, consistent with the BPOM-approved study protocol, by Q1 CY26. If this is the case, the company expects to be positioned to launch R327 in Indonesia in CY26, and our model continues to assume a potential launch in Indonesia and other [Association of Southeast Asian Nations \(ASEAN\)](#) territories in H2 CY26.

Recce is receiving significant funding and infrastructure support from key Indonesian stakeholders, including the Indonesian Ministry of Health, for the registrational Phase III DFI programme. As a result, the company expects its total cost to complete the study will be US\$2m, not including the effects from the 43.5% R&D rebate scheme under the company's advanced overseas funding status with the Australian government. Hence, the net cost to Recce may only be c US\$1.2m.

Exhibit 3: Commercialisation pathway for R327G



Source: Company corporate presentation, March 2025

Recce also expects to start a Phase III ABSSSI study in Australia and New Zealand in CY25. As explained in detail

below, the company also plans to submit an IND application with the US FDA in H2 CY25 or H1 CY26, which will permit US-based clinical trials on R327G. Altogether, we continue to anticipate potential commercialisation for R327G in ABSSSI in CY28 in the US, Australia and Europe. We believe the company's near-term focus on advancing the ABSSSI and DFI indications for R327G is providing a clear path to future revenues.

IV R327 continues to hold promise in sepsis and cUTIs

We continue to view the IV formulation as Recce's strongest commercial R327 opportunity, specifically in the sepsis (and/or urosepsis) and complex urinary tract infection (cUTI) indications. The company [in June 2024](#) reported it had completed the Phase I/II study (trial ID ACTRN12623000448640 at anzctr.org.au) assessing the safety, tolerability and PK of IV R327 at faster infusion rates (compared to R327-001, its initial single-dose IV R327 [dose escalation trial](#)). The Phase I/II rapid infusion study met all of its primary endpoints and demonstrated significant antibacterial activity. Detailed results were discussed in our [prior note](#).

As a reminder, according to [the Centers for Disease Control and Prevention](#), at least 1.7 million American adults develop sepsis annually, with 350,000 of them dying of the acute disease or being discharged to hospice ('end of life') care. One in three people who die in a hospital have or will have developed sepsis.

Recce continues to plan a Phase II study of IV R327 in patients with cUTIs (including urosepsis patients) that will include US study sites. Given that management's near-term priority is to start the Indonesia Phase III DFI study in H1 CY25 and a Phase III ABSSSI study in Australia later in CY25, we now anticipate the IV R327 study will only start in H1 CY26, particularly as we expect that US IND clearance will be needed before study commencement. We will await further information from management, in terms of timelines and relevant endpoints for the upcoming IV R327 study in cUTI patients.

US IND filing still in the works

Recce also expects to submit an IND application to the US FDA in H2 CY25 or H1 CY26, for both the topical and IV formulations of R327. Previously we had anticipated IND clearance in H1 CY25, but we believe the company is currently focusing its efforts on advancing the R327G Indonesian and Australia Phase III studies. We expect that IND clearance would enable Recce to either expand its planned Phase III Australia ABSSSI R327G study to include US study sites or to start a separate US Phase III ABSSSI study. We also expect the IND clearance of the IV formulation to inform development steps for a Phase II cUTI (and urosepsis) trial with US study sites, but, as stated above, we do not anticipate such a study to start until H1 CY26.

We now assume potential approval and commercialisation of IV R327 in sepsis and cUTI in H2 CY29 (versus H1 CY29 previously). However, we may revisit our assumptions once the US IND has been cleared by the FDA and/or greater clarity is provided by management on the expected data points and timelines for the US-centric studies.

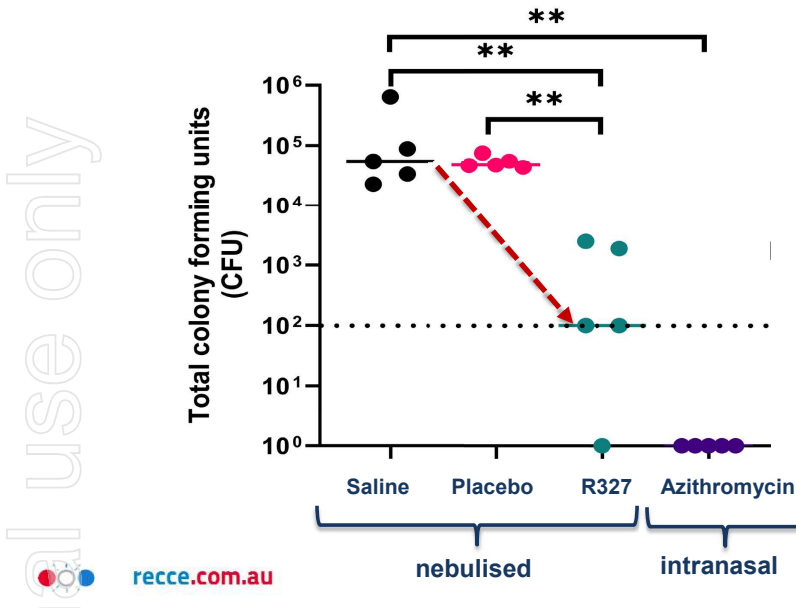
Positive preclinical data on R327 in lung disease models

At its KOL event in March, Recce presented preclinical data supporting a nebulised or aerosolised formulation of R327 in treating [non-tuberculous mycobacteria \(NTM\)](#). Mycobacteria are a form of bacteria naturally present in air, soil and dust. Two species of mycobacteria known to cause human illness are *Mycobacterium tuberculosis*, which causes tuberculosis, and *Mycobacterium leprae*, which causes leprosy. The other *Mycobacterium* species are generally classified as NTM. NTM is regularly breathed in to the lungs and, in most people, these bacteria do not cause any harm. However, in a small number of vulnerable individuals, NTM can form an infection in the lungs, although it is not believed to be contagious. More than 86,000 people are believed to be living with NTM lung disease in the US, with infection more prevalent in older age groups and in people with compromised immune systems and chronic lung diseases (such as cystic fibrosis).

Specifically, Recce reported promising preclinical activity of R327 against [Mycobacterium abscessus](#), a form of NTM that tends to be prone to drug-resistance. *M. abscessus* infections can occur in patients with cystic fibrosis or other chronic lung diseases, and current treatment protocols require systemic antibacterial medications (often a combination of drugs) for six months to one year, or longer.

Exhibit 4: Nebulised R327 effectiveness in lung disease model

Nebulised R327 retains its efficacy in the mouse lung

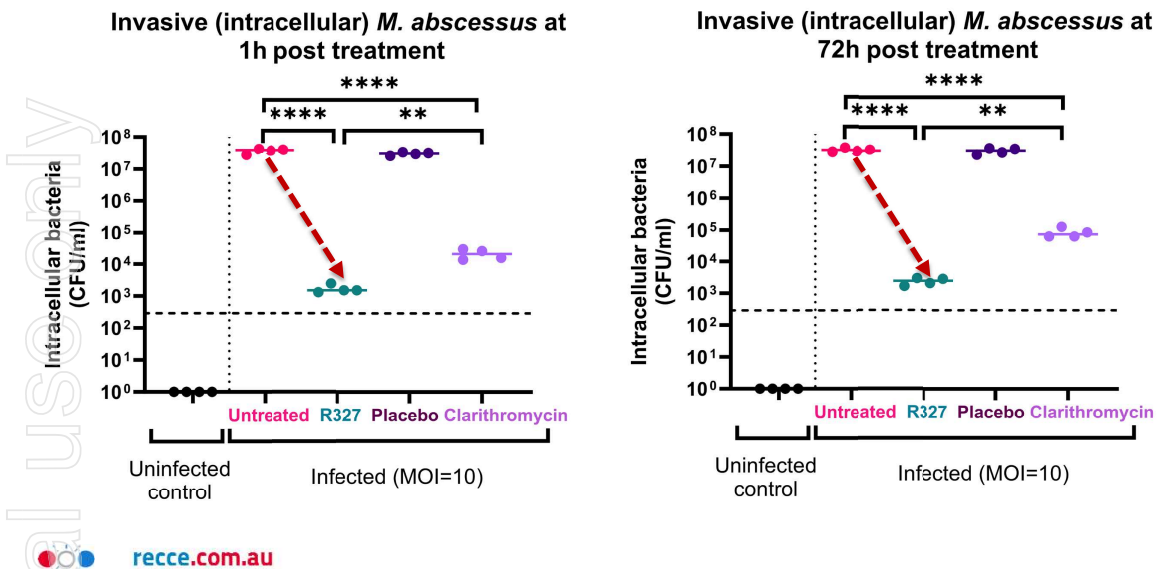


Source: Company KOL presentation, March 2025

The company demonstrated preclinical efficacy against *M. abscessus* in a mouse model, showing activity against the bacteria in the lung (when administered through nebulised delivery, see Exhibit 4), and also against *M. abscessus* skin infection (Exhibit 5). Importantly, the drug was shown to be safe when delivered to the lung in a nebulised fashion. Altogether, the company reports that R327 shows promising efficacy against both lung and skin infections caused by *M. abscessus*.

Exhibit 5: R327 efficacy against *M. abscessus* skin infection

R327 efficacy against *M. abscessus* skin infection

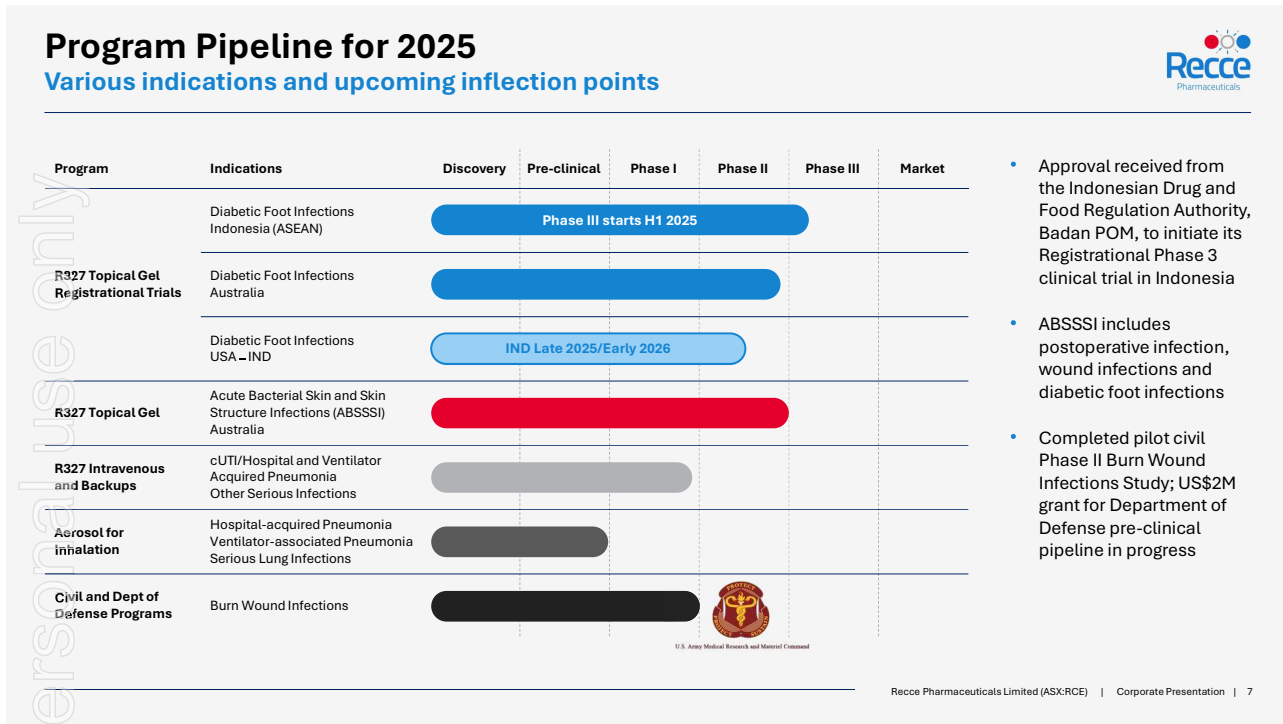


Source: Company KOL presentation, March 2025

Given the data, we believe the company will pursue further activities to advance R327 towards a pulmonary disease

programme. As per usual Edison policy, our valuation model does not include preclinical stage programmes, but further advancement of pulmonary R327 treatment approaches would provide upside potential to our valuation.

Exhibit 6: Recce development pipeline



Source: Company corporate presentation, March 2025

Our timeline assumptions for R327G commercialisation are unchanged, as we continue to expect initial R327G commercialisation for DFIs in Indonesia and ASEAN territories in H2 CY26. We have pushed back our IV R327 launch timing by about two quarters, and we now anticipate IV R327 commercialisation in H2 CY29 (vs H1 CY29 previously).

Financials and valuation

Recce's [H125 financials](#) (six months ending 31 December 2024) reflected a mildly higher operating cash loss than we had anticipated despite lower-than-expected R&D costs. We attribute this difference largely to the fact that the company did not recognise US\$2.2m in grant funding in H125 from the US Department of Defense, whereas our model had assumed that the funding would have been recognised during the period. This [grant had been awarded in July 2024](#) to support Recce's activities in assessing R327G as a treatment for burn wound infections (and reduce risk of bacteraemia). We expect Recce to now recognise this grant in its H225 financials. The company reported A\$6.7m in Australian R&D tax credit revenue (which reflects a cash tax rebate for the company's eligible R&D activities over FY24), which was in line with our forecast for the period.

The company reported an H125 operating cash burn rate of A\$6.9m and an operating (EBIT) loss of A\$7.1m, which compare to our H125 forecast of A\$6.2m for both of these measures. The company's results were driven by A\$8.4m in gross R&D expenses, which came in below our A\$11.0m R&D expense forecast. In our view, the lower-than-anticipated R&D spending rate reflects the fact that the company's R&D activities were focused on the R327G formulation (namely, the completion of the ABSSSI Phase II study and preparation for the upcoming Phase III DFI study). Hence, we believe that less spending was allocated towards IV R327 during the period and for preparations for an eventual US IND filing.

We have updated our forecasts and valuation to reflect the recent forex changes (we now assume US\$0.63/A\$, versus our prior assumption of US\$0.65/A\$). We have reduced our FY26 R&D expenses to reflect a one to two quarter postponement in the timing of expenditures for the planned US Phase II IV R327 study in cUTI/urosepsis, as we now expect this study to start in H1 CY26 (vs H2 CY25 previously). We have also reduced our FY25 R&D forecast given the trends shown in H125. We expect FY25 and FY26 R&D spending to be A\$13.5m and A\$30.2m, respectively, versus our prior estimates of A\$13.8m and A\$56.9m, respectively. Altogether, we project free cash outflows of A\$16.6m and A\$43.6m in FY25 and FY26, respectively, versus our prior estimates of A\$15.9m and A\$71.5m.

At end-H125 (31 December), Recce reported gross cash of A\$1.94m and A\$3.96m in debt, resulting in a net debt position of A\$2.02m (excluding A\$0.8m in lease liabilities). Recce expects to receive an A\$0.74m advance loan from Endpoints Capital in Q325 (Q1 CY25), which reflects a loan to be drawn against a portion of the R&D tax credit payment that the company expects to receive in H2 CY25 (which corresponds to a rebate for Recce's eligible R&D spending activities since end-FY24). Once the company receives the applicable R&D tax credit payment from the Australian government (in H2 CY25), it expects to repay the loan to Radium Capital.

In terms of our valuation, as stated above, we have scaled back our launch timelines for IV R327 in sepsis and cUTIs to H2 CY29 (versus H1 CY29 previously), as we do not expect new clinical trials for IV R327 until H1 CY26 at the earliest. We have also rolled forward our estimates and adjusted for forex assumptions.

Exhibit 7: Recce Pharmaceuticals rNPV valuation

Product	Indication	Launch	Sales (A\$m) in 2033	NPV (A\$m)	Probability of success	rNPV (A\$m)	rNPV/basic share (A\$)
R327 (IV)	Sepsis	H2 CY29	3,582	3,500.6	15%	507.4	2.19
R327 (IV)	Complicated UTI	H2 CY29	439	417.3	15%	58.0	0.25
R327 (topical)	Burn wounds	CY28	306	295.3	20%	54.7	0.24
R327 (topical)	ABSSSI	CY28	452	517.3	20%	97.1	0.42
R327 (topical)	Diabetic foot infections (ASEAN)	H2 CY26	57	31.3	35%	10.7	0.05
Corporate costs				(105.1)		(105.1)	(0.45)
Net cash (debt) at 31 Dec 2024				(2.0)		(2.0)	(0.01)
Total equity value						610.1	2.68

Source: Edison Investment Research

Given the above changes, we now obtain an rNPV, inclusive of A\$2.0m Q225 net debt, of A\$610.1m (or A\$2.68 per share), versus A\$593.6m (or A\$2.60 per share) previously. Altogether, the increased valuation is due to rolling forward our model and the strengthening of the US dollar (versus the Australian dollar), offset by pushing back our timeline forecast for IV R327 commercialisation.

We assume the company's funds on hand will last into Q4 FY25, and hence Recce has an imminent funding need. For modelling purposes, we continue to anticipate that Recce will raise an additional A\$20m in late FY25, modelled as illustrative debt. We assume clinical trial-related costs for each of the four indications in our model (ABSSSI, sepsis, cUTIs and burn wounds) will ramp up significantly in FY26. Any delays to the start of such activities would reduce our funding estimates over this period but may push back our potential launch forecasts.

Depending on the availability of capital, the company may decide to prioritise certain programmes, which may affect the timing of launches in non-prioritised indications and affect our overall valuation. Our current funding model assumes Recce will advance all four programmes in parallel. However, if the company prioritises R327G in ABSSSI and DFIs and puts its remaining development programmes on hold until the initial R327G commercial approval, this would reduce its overall funding need as it could subsequently apply post-launch commercial revenue towards resuming R&D and product development activities in the remaining targeted indications. In addition, partnerships and/or non-dilutive forms of funding (such as third-party sponsorship of clinical trials) could also reduce the future funding need, although these are not specifically included in our forecasts.

Assuming the company continues to develop all four planned clinical-stage indications, we continue to project Recce would need to raise an additional A\$140m in total net proceeds by FY29 before becoming sustainably cash flow positive. As per the usual Edison methodology, we model these raises as illustrative debt. If our projected funding need of A\$140m is raised through equity issuances at the prevailing market price of c A\$0.37, our effective value per share would decrease to A\$1.23 (including cash raised via equity).

Exhibit 8: Financial summary

	A\$(000)	2020	2021	2022	2023	2024	2025e	2026e
Year end 30 June		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS								
Revenue		1,122	1,857	3,085	4,311	4,906	10,451	5,869
Cost of Sales		0	0	0	(0)	(0)	(0)	(0)
Gross Profit		1,122	1,857	3,085	4,311	4,906	10,451	5,869
Sales, General & Administrative		(3,136)	(9,511)	(7,677)	(9,779)	(14,526)	(11,074)	(11,518)
Net Research & Development		(2,071)	(5,657)	(6,285)	(7,330)	(7,159)	(13,492)	(30,159)
EBITDA		(4,085)	(13,311)	(10,878)	(12,797)	(16,778)	(14,115)	(35,808)
Depreciation & amortisation of intangible assets		0	0	0	0	0	0	0
Depreciation, amortisation & other		(201)	(296)	(188)	(217)	(367)	(752)	(410)
Normalised Operating Profit (ex. amort, SBC, except.)		(4,231)	(8,389)	(10,809)	(12,689)	(17,125)	(14,483)	(36,217)
Operating profit before exceptionals		(4,286)	(13,607)	(11,065)	(13,014)	(17,145)	(14,867)	(36,217)
Exceptionals including asset impairment		0	0	0	54	143	0	0
Other		0	0	0	0	0	0	0
Reported Operating Profit		(4,286)	(13,607)	(11,065)	(12,960)	(17,002)	(14,867)	(36,217)
Net Finance income (costs)		(31)	94	79	(117)	(660)	(929)	(7,701)
Profit Before Tax (norm)		(4,317)	(13,513)	(10,986)	(13,131)	(17,805)	(15,796)	(43,919)
Profit Before Tax (FRS 3)		(4,317)	(13,513)	(10,986)	(13,077)	(17,662)	(15,796)	(43,919)
Tax		0	0	0	0	0	0	0
Profit After Tax and minority interests (norm)		(4,317)	(13,513)	(10,986)	(13,131)	(17,805)	(15,796)	(43,919)
Profit After Tax and minority interests (FRS 3)		(4,317)	(13,513)	(10,986)	(13,077)	(17,662)	(15,796)	(43,919)
Average Basic Number of Shares Outstanding (m)		127.2	155.4	174.1	174.0	177.1	228.5	253.1
EPS - normalised (A\$)		(0.03)	(0.09)	(0.06)	(0.08)	(0.10)	(0.07)	(0.17)
EPS - normalised and fully diluted (A\$)		(0.03)	(0.09)	(0.06)	(0.08)	(0.10)	(0.07)	(0.17)
EPS - (IFRS) (A\$)		(0.03)	(0.09)	(0.06)	(0.08)	(0.10)	(0.07)	(0.17)
Dividend per share (A\$)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
BALANCE SHEET								
Fixed Assets		505	501	439	608	1,233	672	434
Intangible Assets		0	0	0	0	0	0	0
Tangible Assets		505	501	439	608	1,233	672	434
Investments in long-term financial assets		0	0	0	0	0	0	0
Current Assets		2,739	21,181	12,185	1,947	5,136	14,438	50,757
Short-term investments		0	0	0	0	0	0	0
Cash		2,682	20,873	11,582	1,562	4,415	13,374	49,693
Other		57	308	603	386	721	1,064	1,064
Current Liabilities		(885)	(1,078)	(2,447)	(4,850)	(15,070)	(9,138)	(9,138)
Other current liabilities		(885)	(1,078)	(2,447)	(1,802)	(5,381)	(4,436)	(4,436)
Short-term borrowings		0	0	0	(3,048)	(9,689)	(4,701)	(4,701)
Long-Term Liabilities		(46)	(100)	(115)	(295)	(824)	(20,796)	(100,796)
Long-term borrowings		0	0	0	0	0	(20,000)	(100,000)
Other long-term liabilities		(46)	(100)	(115)	(295)	(824)	(796)	(796)
Net Assets		2,313	20,504	10,061	(2,589)	(9,524)	(14,824)	(58,743)
CASH FLOW STATEMENT								
Operating Income		(4,286)	(13,607)	(11,065)	(12,960)	(17,002)	(14,867)	(36,217)
Movements in working capital		253	144	1,532	(152)	4,266	(1,052)	0
Net interest and financing income (expense)		(31)	94	79	(117)	(660)	(929)	(7,701)
Depreciation & other		201	296	188	217	367	752	410
Taxes and other adjustments		55	5,218	256	325	20	0	(0)
Net Cash Flows from Operations		(3,807)	(7,856)	(9,010)	(12,687)	(13,009)	(16,096)	(43,509)
Capex and capitalised expenditures		(6)	(76)	(40)	(39)	(142)	(156)	(172)
Acquisitions/disposals		0	0	0	0	0	(390)	0
Interest received & other investing activities		0	0	0	0	0	0	0
Net Cash flows from Investing activities		(6)	(76)	(40)	(39)	(142)	(546)	(172)
Net proceeds from share issuances		6,980	26,338	287	102	10,583	11,970	0
Net movements in long-term debt		0	0	0	0	5,886	12,890	80,000
Dividends		0	0	0	0	0	0	0
Other financing activities		(888)	(215)	(528)	2,604	(464)	740	0
Net Cash flows from financing activities		6,092	26,123	(240)	2,706	16,004	25,600	80,000
Effects of FX on Cash & equivalents		0	0	0	0	0	0	0
Net Increase (Decrease) in Cash & equivalents		2,279	18,191	(9,291)	(10,020)	2,854	8,959	36,319
Cash & equivalents at beginning of period		403	2,682	20,873	11,582	1,562	4,415	13,374
Cash & equivalents at end of period		2,682	20,873	11,582	1,562	4,415	13,374	49,693
Closing net debt/(cash)		(2,682)	(20,873)	(11,582)	1,487	5,274	11,327	55,008
Lease debt		83	127	75	251	461	779	779
Closing net debt/(cash) inclusive of IFRS16 lease debt		(2,599)	(20,746)	(11,507)	1,737	5,735	12,107	55,787
Free cash flow		(3,813)	(7,932)	(9,051)	(12,726)	(13,151)	(16,642)	(43,681)

Source: Company accounts, Edison Investment Research

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